

Labour Market

NOTES ■ January 2013

Unemployment rate remains lowest in country despite December job decline

Alberta

- Province sheds jobs in December. Alberta lost 6,100 jobs in December, partly reversing November's gain of 10,100. December's decrease was largely due to a loss of private sector jobs (-5,400) and part-time positions (-23,700). Alberta has gained 31,800 jobs since December 2011, representing a 1.5% increase. For 2012, the province led the country in employment growth, adding 55,500 jobs for a 2.7% increase (see page 2 for an in depth look at last year's labour market).
- Unemployment rate edges up, but still lowest in Canada. Alberta's unemployment rate increased 0.3 percentage points to 4.5% in December, but remained the lowest in the country. The unemployment rate sits well below the national average of 7.1%.
- Services sector responsible for December's decline. All of the job losses were concentrated in the services sector (-11,600), which more than erased gains in the goods-producing sector (+5,500). At the industry level, educational services (-8,300) and accommodation and food services (-5,200) posted the largest losses in the services sector. On the goods-producing side, agriculture (+8,200) and construction (+3,600) led all industries, while forestry, fishing, mining and oil and gas (-9,900) was the only industry to post a decline.
- Weekly earnings jump \$14 in October. Average weekly earnings increased 1.3% in October, offsetting a 0.4% decline in September. Alberta employees earned on average \$1,098 per week in October, \$189 higher than the national average. Earnings were up 4.3% compared with the same month last year.

Canada

- Canada posts solid job increase. Canada gained 39,800 jobs in December, building on November's impressive gain of 59,300. Employment growth was concentrated in Ontario (+32,900), Quebec (+5,800) and Manitoba (+5,200). Seven out of ten provinces gained jobs in December. Canada added 201,500 jobs (+1.2%) in 2012.
- Unemployment rate drops. The Canadian unemployment rate decreased for the second straight month dropping 0.1 percentage points to a four year low of 7.1%.
- Weekly earnings increase. Canadian average weekly earnings were \$909 in October, up 0.9% from September and 2.8% compared with the same month last year.

For definitions of the data indicators discussed in this publication, please see the second page of August's [Labour Market Notes](#)

Employment Growth by Province, December 2012 vs. December 2011



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	December or Latest*
Employment	2,165,000
month-over-month change	-6,100
year over-year % change	1.5%
Alberta Unemployment Rate (UR)	4.5%
Edmonton UR**	4.1%
Calgary UR**	4.3%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	\$1,098.37
year over-year % change	4.3%
Average Hourly Wage	\$27.47
year over-year % change	5.5%
Job Vacancy Rate**	3.2%

Source: Statistics Canada

* All data is from the Labour Force Survey for December except AWE, which is from the October Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate which is from the September SEPH.

** This indicator is calculated as a three-month moving average.

Labour Market Year in Review

Alberta's labour market had another strong year in 2012, posting the highest job growth and the lowest unemployment rate in the country. Albertans continued to earn the highest hourly wages amongst all provinces and saw wage growth far outpace inflation. A robust labour market has attracted people to Alberta in droves; in the third quarter, the province saw near record inflow in net migrants.

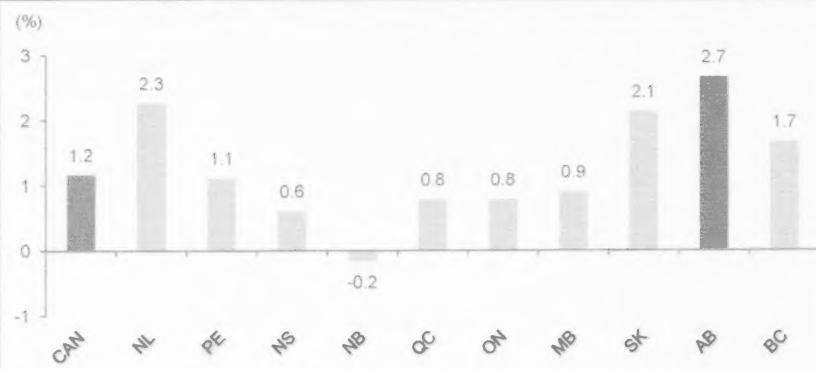
Alberta leads country in job growth

For the second straight year, Alberta led all provinces in job growth. Last year's increase was 2.7%, more than double the Canadian gain of 1.2%. The 55,500 jobs added during the year came entirely from new full-time positions, and accounted for nearly a third of all net jobs created across the country. Overall job gains were fuelled by a jump in goods producing sector jobs (+7.7%), with utilities and oil and gas extraction industries posting especially large gains. While the private sector was mainly responsible for Alberta's 2012 job growth, the public sector added jobs for the first time since 2009. Year-over-year job gains generally trended lower as the year progressed, starting at 3.9% in January and ending at 1.5% in December.

Unemployment rate falls to 4-year low

Alberta had the lowest unemployment rate in Canada last year. The province's annual rate averaged 4.6%, down from 5.5% in 2011 and significantly lower than the national rate of 7.2%. In addition to job gains, a falling participation rate (the share of the 15+ population in the work force), particularly among youth, contributed to Alberta's lower unemployment rate. The participation rate dipped 0.3 percentage points to 73.4% but remained the highest in Canada. At the national level, the unemployment rate retreated by a modest 0.2 percentage points, with rates in Ontario and Quebec holding steady.

Chart 1: 2012 Average Employment Growth by Province



Source: Statistics Canada. The growth in employment is on an annual basis for the year 2012.

Average wages far outpace inflation

Albertans saw their hourly wages (as reported in Statistics Canada's labour force survey) jump 4.8% last year, well ahead of 2011's 1.7% gain. This solid growth came during a period of very low inflation. In the first 11 months of 2012, consumer prices rose at an average rate of only 1.2%. This implies strong increases in real, or inflation adjusted wages. Alberta continues to have the highest average wage of all provinces. The gap between Alberta and national hourly wages widened further in 2012 to \$3.05 per hour, a 12.9% differential.

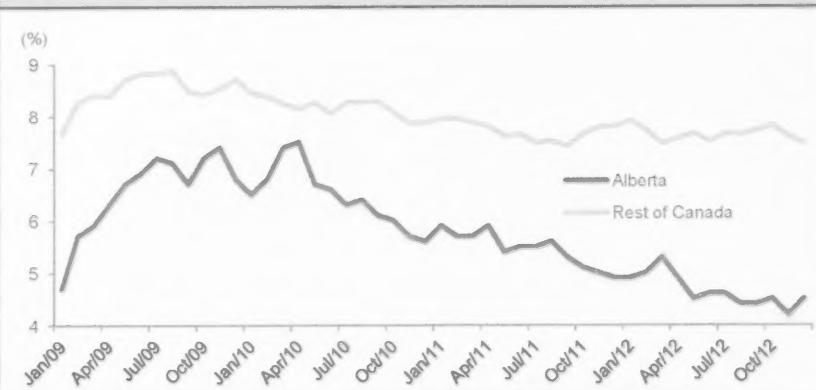
Conclusion: a good year for Alberta's labour market

Alberta's labour market continued to post significant gains in 2012. The province created more jobs than any other province and saw its unemployment rate dip nearly one point to a nation low of 4.6%. A robust labour market has contributed to recent influx of migrants to the province. Nationally, the job growth was tepid at just over 1% in 2012, while the unemployment rate remained elevated at just over 7%.

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Chart 2: Unemployment Rate



Source: Statistics Canada, Alberta Treasury Board and Finance. Last observation: December 2012.